

CHAPTER NO. 846

HOUSE BILL NO. 2898

By Representative Kisber

Substituted for: Senate Bill No. 3018

By Senator Henry

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 31, relative to the Tennessee local development authority and its debt financed loan programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-31-706, is amended by adding the following as a new subsection, to be numbered accordingly:

() The authorization to issue additional bonds pursuant to this section is terminated. The authority and the department are authorized and directed to enter into a memorandum of understanding with the State Funding Board providing for the monitoring and servicing of all outstanding loan agreements entered into under the provisions of this part. Upon the issuance of debt by the State Funding Board refunding and defeasing all outstanding authority debt previously issued pursuant to the provisions of this part, the authority may transfer all payments received from grantees, as directed by the State Funding Board.

SECTION 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

SECTION 3. This Act is void unless the provisions of Senate Bill 3017, House Bill 2899, authorizing the State to issue debt for twenty-seven million dollars (\$27,000,000) to provide funds to the Department of Mental Health and Mental Retardation for refunding certain obligations becomes law.

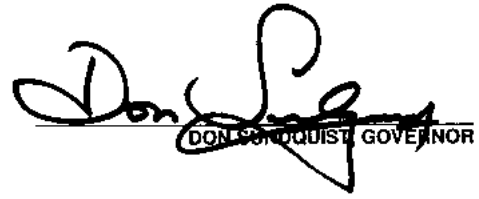
SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 16, 1998


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 29th day of April 1998


DON S. QUIST GOVERNOR